

## AGENDA



Monday, September 10, 2007

**Convention Center  
RECOMMENDATION FOR COUNCIL ACTION**

**Item No. 17**

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**Subject:** Approve the negotiation and execution of the Third Amendment to the Catering and Concession Service Agreement between the City and Aramark Sports and Entertainment Services of Texas, Inc. to change funding allocations for the Convention Center equipment replacement/repair and promotion funds; and revise contract approval procedures for fund expenditures and the productivity reward.

**Fiscal Note:** There is no unanticipated fiscal impact. A fiscal note is not required.

**For More Information:** Hymie Gonzales, Acting Director, Austin Convention Center, 404-4042.

**MBE/WBE:** The original contract was awarded in compliance with the 1996 MBE/WBE Ordinance, as amended. No subcontracting opportunities were identified, therefore no goals were established for this solicitation.

**Prior Council Action:** Council approved the Second Amendment to the agreement in October, 2003 which assigned the agreement from Fine Host Corporation to Aramark Corporation (which acquired substantially all of the assets of Fine Host Corporation), adjusted expenses under the agreement, and reduced the amount of the fixed fee. Council approved the First Amendment to the agreement in August of 2001, extending the term of the original 10 year agreement by five years until 2012, and providing for the following financial incentives: setting an annual fixed fee and incentive fee; and requiring Fine Host Corporation to make a substantial kitchen equipment investment in the Convention Center facility. Council approved the negotiation and execution of the original ten year agreement with Fine Host Corporation in July of 1997.

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This third amendment to the Catering and Concession Service Agreement between the City of Austin and Aramark Sports And Entertainment Services of Texas, Inc., changes Section 7.1 of the original agreement (regarding equipment and promotion expenditures). Aramark will now be required to deposit the required 5% amount into the following City funds: (1) an amount not to exceed 3% into the Replacement and Repair Fund; and (2) an amount not to exceed 2% into the Marketing and Promotion Fund. Additionally, this amendment changes approval requirements for Convention Center equipment and promotion expenditures and the required criteria and evaluation method of the existing productivity reward.